

NSW Government Wagering Tax Parity – HRNSW Industry Issues Paper

INTRODUCTION

The NSW Betting Tax Legislation Bill was introduced into the Parliament by the NSW Government in November 2015. The subsequent Act provided for reductions in tax on wagering being backdated to 1 July 2015. The provisions included in the new Act rebates wagering tax formerly retained by Treasury to the racing codes. In accordance with the findings of the Governments “Size and Scope of the NSW Racing Industry Report 2014” prepared by IER, harness racing’s distribution is set at 12.7%.

OUTCOME FOR HARNESS RACING IN NSW

While the provisions of the legislation provide for a fixed percentage (12.7%), the NSW Treasury estimates the harness racing industry will receive over the next five years as follows:

FY2015/16 \$3.2m

FY2016/17 \$5.7m

FY2017/18 \$5.7m

FY2018/19 \$7.0m

FY2019/20 \$8.3m

From FY2020/21 NSW Treasury has further estimated \$11.5m will be returned to the harness racing industry however with the changing wagering landscape this amount may eventually be re-calculated.

Included in HRNSW’s budget for 2015/16 was a loan of \$2.21m from the Future Fund to cover prize money and owner/nominator’s bonuses increases not funded on a recurrent basis. Funds from the 2015/16 allocation from tax parity will be applied towards repaying the Future Fund. These recurrent costs will need to be included in ongoing industry budgets.

The NSW Government has indicated that the allocation of funds provided via tax parity is to be distributed in accordance with each code’s strategic plan. The three codes are required by legislation to have a strategic plan.

THE WAY FORWARD

HRNSW wishes to seek industry feedback before considering priorities for funding which will flow from the 2016/17 financial year. Submissions are therefore invited from industry bodies, racing clubs and individuals.

Submissions will be required to conform to the strategies identified in the strategic plan and recognise the limits of funding guaranteed in the financial years identified above.

The closing date for submissions is close of business on **Monday 29th February 2016**.

Submissions should be forwarded to:

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